

**RIO DELL CITY COUNCIL
REGULAR MEETING
AUGUST 4, 2009
MINUTES**

The Regular Meeting of the Rio Dell City Council was called to order at 6:30 P.M. by Mayor Woodall.

ROLL CALL: Present: Mayor Woodall, Councilmembers Barsanti, Marks, and Thompson

Absent: Councilmember Dunker

Others Present: Interim City Manager/Chief of Police Hill, Finance Director Beauchaine, Wastewater Superintendent Chicora, and City Clerk Dunham.

CONSENT CALENDAR

Motion was made by Marks/Thompson to approve the consent calendar including the minutes of the June 16, 2009 Regular Meeting; minutes of the June 23, 2009 Special Meeting; and the Check Register to include General check register for check numbers 27434-27485 totaling \$63,209.71; and Payroll check register for check numbers 14785-14805 (and EFT) totaling \$25,655.70. Motion carried 4-0; (Councilmember Barsanti abstained from vote on the June 23, 2009 minutes).

SPECIAL PRESENTATIONS

Review Draft Operations Budget for Fiscal Year 2009-2010

Finance Director Beauchaine provided a review of the Draft Operations Budget Summary for FY 2009-2010 stating the cash balances as listed were un-audited estimates and did not reflect any year-end adjustments. She said the budget as presented was representative of the City Council's request to not use reserves to balance the budget. She noted that each department made significant cuts in projected expenses to make up for the projected shortfall in revenues.

Finance Director Beauchaine noted that although the State Budget was passed, it was still unknown how that would impact the City. She reported total proposed expenses at \$2.2 million and projected revenues at \$2.4 million, stating the generous reserve balances were largely due to deferred maintenance.

Councilmember Marks asked if the estimated \$45,000 reduction in property tax revenue was reflected in the projected revenue; Stephanie explained it was reflected in the budget as a loan.

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Mayor Woodall referred to the \$20,550 budgeted for Legal Fees (5112) and asked if that amount was realistic; Beauchaine noted the projected budget was less than the actual expense the previous year but said she discussed it with the City Manager and she said she did not anticipate any significant liability that would create additional legal expense for the 2009-2010 fiscal year.

Councilmember Marks stated that she thought the City Council budget was to be funded primarily from revenue generated from the cell tower; Beauchaine explained that rather than the general fund supporting all City Council expenses, she thought it would be more appropriate to fund that department the same as other departments by using a departmental spread.

Mayor Woodall then asked for an explanation of how the various spreads were calculated; Beauchaine explained that generally, the larger the revenue, the larger the activity and a ratio is created using that theory.

Finance Director Beauchaine then noted a correction to line item *6100 Fixed Asset – Computer Hardware* in the City Manager's budget stating that \$2,000 for that expense was put into Councilmember Thompson's 5563 budget line item in error and since then put back into the City Manager's budget.

Various budget cuts included a \$55,000 reduction in the Finance Department due to a vacant position, reduced training expense, supplies, and equipment. Beauchaine stated that although staff was reduced, the workload was not and because of that would like to close during lunch to help maintain the workload. She noted the Recycling Training Budget was cut by \$1,000; the Police Department Budget nearly \$25,000; and the Public Works Department approximately \$109,000.

Beauchaine further explained the reason for the significant cuts in General Government was that she would be implementing a full cost allocation and General Government expenses would be shifted to the various departments based on use.

She noted the Planning and Building budgets were unchanged since those services were being provided under outside contracts.

Mayor Woodall commented that the Building Department should be self-sustaining but it appeared that we were partially subsidizing it with other funds; Beauchaine explained that once the new building fees are in place, that department would be self-supporting. She said that the 20% retained in house from building permit revenue should be sufficient to cover the cost of building supplies and administrative staff time.

In reviewing the expense budget in the Planning Department, Beauchaine stated that a special project budget would need to be created for the Housing Element Update taking it out of the General Government Operations and putting it into the Special Projects Budget.

Chief of Police Hill simply stated that there was too much money spent last year on various projects and since there will be a reduction in revenue this budget year, the City Council needs to be prepared to either take money from reserve accounts or cut public services. He pointed out that reserves are for emergencies and update of the Housing Element is an emergency since the update is required by the State and a condition for receiving grants.

Last was review of the *Operating Budget Cash Projections by Fund* which represented projected cash balances as of June 30, 2010.

Finance Director Beauchaine said she would make some minor adjustments to the Draft Operations Budget as discussed and bring it back to the next regular meeting for approval.

ORDINANCES/ SPECIAL RESOLUTIONS

Approve Resolution No. 1054-2009 Designating a Voting Delegate for the League of California Cities 2009 Annual Conference

Interim City Manager Hill stated the League of California Cities requires the City to designate someone to serve as the City's voting delegate at the League of California Cities Annual Conference, and may designate up to two alternates. He said that Councilmember Dunker was previously appointed as the representative to the League and would be attending the Annual Conference in San Jose on September 16-18, 2009 and recommended he be designated as the City's voting delegate.

Councilmember Marks stated she would like to amend the resolution to include the appointment of Mayor Woodall as the alternate voting delegate for the League's Annual Conference in the event Councilmember Dunker is unable to attend.

Motion was made by Barsanti/Marks to approve Resolution No. 1054-2009 *Designating a Voting Delegate and Alternate for the League of California 2009 Annual Conference*. Motion carried 5-0.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

Update on Proposed Wastewater Rate Increase

Interim City Manager Hill stated in talking with various citizens, concerns were expressed that the City had not articulated their reasons for a wastewater rate increase. As a result of that, staff put together a second notice (flyer) which went out in the Scotia-Rio Dell Newsletter, and set up a booth during Wildwood Days in attempt to help educate the public. Wastewater Superintendent Chicora once again extended the offer to provide tours of the current wastewater facility so that citizens could see first hand why upgrades to the system were needed.

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Gary Gutermuth, 360 Monument Road said that he had lived in Rio Dell for 30 years and seen upgrades to the sewer system on and off for years and asked specifically why the loan was needed and what the \$2.2 million grant would be used for. Finance Director Beauchaine explained that Project I would be funded by the grant but the State would only award the grant if the City could demonstrate the ability to complete Project II. She said the proposed rate increase would be for the repayment of the loan for Project II.

Gary Gutermuth then asked if Winzler & Kelly would be designing the project as has been the case with a number of other projects over the years and if the city went through the competitive bid process when hiring an engineering firm; Interim City Manager Hill commented that the City goes out to bid on all projects of this size and noted that a firm other than Winzler & Kelly Engineering had done the City's Water Intake Project.

Mr. Gutermuth then asked if the entire \$2.2 million would be going to Winzler & Kelly for design of the project; Wastewater Superintendent Chicora stated that the cost of the planning, design, and construction management was estimated at around \$400,000.

Finance Director Beauchaine commented that one of the reasons the city is in the position it is in today is because there has been no significant maintenance to the wastewater system since 1978 when upgrades were done under the sewer bond assessment.

Mr. Gutermuth said he would be in favor of the proposed rate increase if the City can demonstrate that the improvements will in fact be completed and that we won't just be paying for another study. He said while knocking on doors to get signatures on a petition opposing the rate increase, he witnessed many less fortunate citizens who obviously could not afford any kind of a rate increase and asked that the City draft a policy that provides for financial assistance for very low income rate payers.

Finance Director Beauchaine stated that the City understands the difficult economic times and is reviewing every alternative possible to secure additional grant funding to minimize the burden on the rate payers.

Interim City Manager Hill referred to the success of the recent rehabilitation of the City's water system and said he felt confident the wastewater improvement project would be as tangible. He encouraged Mr. Gutermuth to make arrangements with the wastewater superintendent to tour the wastewater facility on Friday morning. Mr. Gutermuth agreed to tour the wastewater facility but afterwards if he was not satisfied, he would be going back out to the community and getting more signatures.

Benicia Matos, 175 Davis St., stated that Mr. Gutermuth had knocked on her door and she agreed she would attend the Council meeting stating that to her it is extremely important to have

a good sewer system and that good water and sewer was even more important than having good streets. She expressed support for the proposed increase.

Ralph Roberts, 948 Rio Dell Ave., commented that he felt the first notice that went out to rate payers was unclear and misleading.

PUBLIC PRESENTATIONS

Sharon Wolfe, 3 Painter St. addressed the Council regarding the sound system in the council chambers and said the sound was difficult to pick up and commented that it might help if the microphones were pointed toward the city council members. She then referred to a check on the check register for a water residency incentive and asked for clarification; Interim City Manager Hill explained that during prior employee negotiations, it was agreed that employees who choose to reside continuously within the City of Rio Dell be granted a water and sewer cost-waiver of the base water and sewer rates. Sharon Wolfe stated that she understood that City salaries in the past were low but now seemed to be in line with other jurisdictions within the County and said the City might want to eliminate that benefit.

Louie Barsanti, 89 Dixie St. expressed a word of thanks to the Rio Dell Fire Department, Chamber of Commerce, and City staff for the joint efforts put forth to make Wildwood Days a big success.

REPORTS/STAFF COMMUNICATIONS

Interim City Manager Hill also thanked the Fire Department and Chamber for making Wildwood Days the best ever and gave special thanks to Fire Chief Shane Wilson for his tremendous efforts with the various activities and said overall the event went very well with no reported incidents or arrests.

Interim City Manager Hill also announced that a joint meeting with the planning commission was scheduled for August 11th at 5:00 P.M. to discuss the Housing Element Update; said the Safe Routes to School Project was moving along on schedule; would be coming back at the next regular meeting with an update on the \$25,000 Energy Grant through RCEA; quotes were obtained for a new telephone system in city hall since the current system was failing stating that the best bid came in from Stewart Communications for \$5,000; reported on update of the city's web site stating that a young man through the "Step Up Through Youth" program was doing an amazing job on the update and he agreed to do a presentation on the web site at the next regular meeting; and reported that a few months prior he had submitted a grant application to fund three additional police officers and he received notification for the approval of one police officer for three years. He noted that a new position would need to be created for a "Community Policing" position and that the cost to the City would be minimal.

Finance Director Beauchaine reported on recent activities in the finance department stating the majority of her efforts were spent working on the Final Operations Budget and would be now addressing the City's capital needs; was preparing for the upcoming audit; was evaluating various grant options and would be bringing information back at the next meeting; said with the frozen position in the finance department, would be looking into the possibility of acquiring a person through the Cal-Works Program to assist staff with the counter and phone calls; and announced that city hall would be closing from 12:00-1:00 every day to help accommodate staff with the extra workload.

Wastewater Superintendent Chicora reported on recent activities in the public works department and gave a brief update on current public works projects.

COUNCIL REPORTS/COMMUNICATIONS

Councilmember Marks stated that the City Council holds the election of Mayor and Vice Mayor every two years and entertained the idea of changing it to every year; commented that the city council e-mails on the web site were not working; said that during the study sessions on the City Handbook, it was suggested that a policy be written against the use of city tools or equipment by employees or citizens and asked about the status of that policy; asked if a JPA was signed with the school in connection with the Safe Routes to School Project; asked if Cal-Trans would be matching up the new paving of the exits with the Gateway paving; and asked the City Clerk if the City had received any applications for the Planning Design Committee.

Interim City Manager Hill said he would contact Cal-Trans regarding the paving; City Clerk Dunham noted there had been no responses received from persons interested serving on the Planning Design Committee. Councilmember Marks volunteered to serve on the committee and stated that Alice Millington, Davina Gray and Maureen Bolton had expressed some interest and suggested they be contacted.

Mayor Woodall stated that the City had submitted an application to PERS in June and asked if a response had been received; Interim City Manager Hill stated that what was actually submitted was an actuarial and not an application and he expected to hear back from PERS some time in September.

Mayor Woodall then asked about the status of the Parks Grant project; Finance Director Beauchaine stated that the funding was currently on hold from the State.

ANNOUNCEMENT IN OPEN SESSION OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

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Mayor Woodall announced the Council would be adjourning to closed session to discuss: *Anticipated Litigation – Significant exposure to litigation pursuant to Section 54956.9(b): two potential cases*, and asked for public comment. There being no public comment, the Council adjourned to closed session at 8:26 P.M.

The Council reconvened into open session at 9:35 P.M; Mayor Woodall announced there was no reportable action taken in closed session.

ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 9:37 P.M. to the August 18, 2009 Regular Meeting.

Julie Woodall, Mayor

Attest:

Karen Dunham, City Clerk